

APPENDIX I
SETTLEMENT AGREEMENT BETWEEN THE GREENLINING INSTITUTE AND
SOCALGAS & SDG&E

ATTACHMENT C TO SETTLEMENT AGREEMENT
FOR SOCALGAS IN A.02-12-027

SETTLEMENT AGREEMENT BETWEEN THE GREENLINING INSTITUTE AND
SOCALGAS AND SDG&E

Southern California Gas Company (SoCalGas) and San Diego Gas and Electric (SDG&E) together, the “Utilities” – enter into this agreement with the Greenlining Institute (Greenlining) for the next five years, with the possibility of renewal for an additional five years.

Workforce Diversity

SoCalGas and SDG&E will report annually the race, ethnicity and gender of Sempra’s external Board of Directors and the Utilities’ workforce. This report will be to Greenlining in the same format that this information is provided to Fortune Magazine in connection with Fortune Magazine’s annual diversity survey. It is understood that if the CPUC requires a format that seeks essentially the same objective, Greenlining will agree to that CPUC-required information instead. Similarly, as part of this commitment, both Utilities agree to discuss efforts in each of these areas in an oral presentation to be held at each of the annual meetings agreed to below. All diversity information shall be subject to confidentiality agreements to the extent that this information will not be used in media releases or similar public relations pieces unless mutually agreed upon, but may be used for discussion purposes with Greenlining member organizations.

The Utilities and/or Sempra commit to making their very best good faith efforts to be among the top ten “Best Companies for Minorities” in the Fortune Magazine annual diversity survey. The Utilities also commit to their best good faith efforts to be leaders among major California utility companies in each of the reported categories.

The Utilities will take a leadership role in Greenlining’s Corporate Community Diversity Partnership, in which approximately two-dozen Fortune 500 Companies – including several major utility companies – work together to promote diversity in the University of California system, California State University system and Corporate America.

Supplier Diversity

Regarding supplier diversity, the Utilities commit to good faith efforts to being national leaders among all utility companies. The Utilities recognize that Greenlining sees 25% minority suppliers as an important objective and other utilities are seeking this objective. Although the Utilities view their efforts to be leaders in Supplier Diversity in an even broader context, and therefore, the Utilities will continue to discuss the viability of this objective and other related objectives in light of our external contract requirements, as well as the demographics in the communities in which they operate. The Utilities’ annual reports regarding contracting with diverse business enterprises will be filed pursuant to the CPUC’s GO 156 requirements.

Philanthropy

The Utilities will continue to abide by the CPUC's General Order 77K relating to the detailed reporting of philanthropy. The Utilities will also provide Greenlining with a description of each relevant organization as provided by the organizations themselves. SoCalGas and SDG&E remain committed to continuing and improving upon their philanthropic stewardship within the communities each utility serves. In 2002 alone, SoCalGas and SDG&E gave over \$4 million in charitable contributions to a variety of worthy organizations. SoCalGas and SDG&E also are committed to continuing and improving upon their outreach to racial and ethnic minority groups, including low income and underserved communities. In addition, both Utilities will agree to continue to strive to be leaders in philanthropy to low-income and minority non-profits amongst all the major utility companies operating in California. The Utilities will provide to Greenlining the total charitable contribution amounts as well as the percent of pre-tax income such contributions represent. Similarly, as part of this commitment, both Utilities agree to discuss efforts in each of these areas in an oral presentation to be held at each of the annual meetings as agreed to below.

Annual Meetings

Both Utilities will meet annually with Greenlining to discuss workforce diversity, supplier diversity and philanthropy. The Chief Executive Officer of both Utilities and/or the Utilities' President, as well as Sempra's Senior Vice President of Human Resources, will attend these meetings.

Other Issues

This agreement resolves any and all other issues Greenlining raised in A.02-12-027/A.02-12-028.

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